

Congress of the United States
Washington, DC 20515

March 19, 2008

The Honorable Alan B. Mollohan, Chairman
The Honorable Rodney P. Frelinghuysen, Ranking Member
Committee on Appropriations
Subcommittee on Commerce, Justice, Science and Related Agencies
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Mollohan and Ranking Member Frelinghuysen:

We are writing to request increased funding, to the level of \$122 million, for the Manufacturing Extension Partnership (MEP) Program in the fiscal year 2009 Commerce, Justice, Science and Related Agencies Appropriations bill. This request is the authorized level provided in recently enacted America Competes Act (PL 110-69). Manufacturing continues to be important to this country's economy, representing one-eighth of GDP in 2005, but the challenges to remain competitive are increasing. Since 2000, the U.S. trade deficit has increased by \$331 billion or 43 percent. This funding level is necessary for MEP to ensure the sustainability and growth of our domestic small manufacturing industry and high-quality, high-paying jobs.

MEP assists America's small manufacturers and helps boost productivity, sales, investments in modernization and employment. Manufacturing was a significant contributor to the economy's expansion in the 1990's, and small manufacturers are the engines that increase and power productivity and job growth. Small manufacturers employ over 6 million Americans and account for approximately 57 percent of the value of all manufactured goods in the American economy.

MEP is one of the most successful federal/state partnerships in government. MEP clients achieve productivity gains that are more than four times greater than comparable firms that do not receive MEP assistance. Furthermore, MEP clients are increasing sales, hiring workers, and investing in plant modernization. In fiscal year 2006 alone, MEP clients reported 52,585 new or retained workers, sales of \$6.765 billion, cost savings of \$1.115 billion and plant and equipment investments of \$1.65 billion. These results are a direct consequence of clients' MEP assistance.

A \$122 million appropriation for MEP in fiscal year 2009 is critical to the sustainability and growth of our domestic manufacturing sector. The approximately 341,000 small manufacturers account for over half the total value of U.S. production and represent 97 percent of manufacturing establishments. Small manufacturing jobs are high-skilled and high-wage, with manufacturing employees earning 36 percent more than retail employees per hour.

Manufacturing is one of our country's greatest economic strengths and MEP is an invaluable program that helps manufacturers improve productivity and compete in the global marketplace. Without unwavering strong federal support, MEP will be unable to maintain its mission of serving America's small manufacturers increasing needs. At a time when economic recovery, supply chain reliability for consumer and defense goods, and global competitiveness are national

priorities, we believe MEP continues to be a wise investment. We respectfully request that you appropriate \$122 million for MEP in fiscal year 2009.

Sincerely,



Rep. James L. Oberstar, Co-Chair
House Manufacturing Task Force



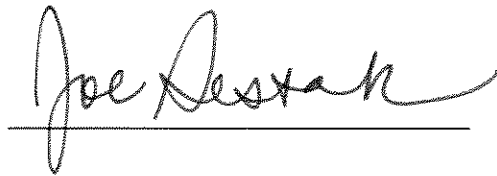
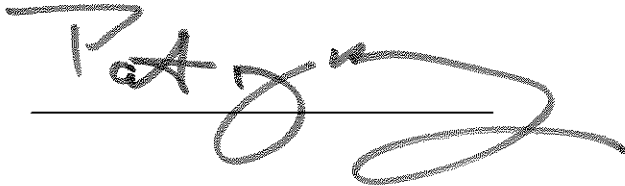
Rep. Steven C. LaTourette, Co-Chair
House Manufacturing Task Force



Rep. Michael F. Doyle, Co-Chair
House Manufacturing Task Force



Rep. James T. Walsh, Co-Chair
House Manufacturing Task Force



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Charles W. Dent

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Paul M. [Signature]

Hilda L. Solis

Edie Bernice

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Tom J. Wiley

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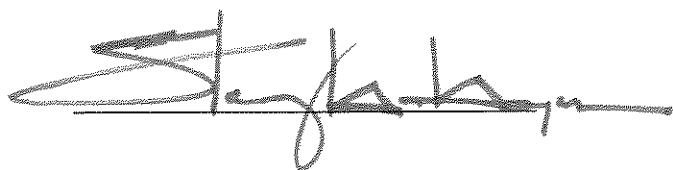
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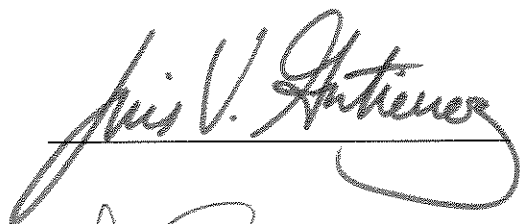
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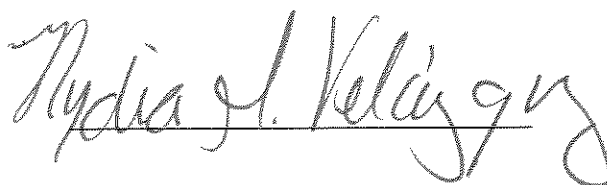
Geoff Jarvis



Carol Steen-Power

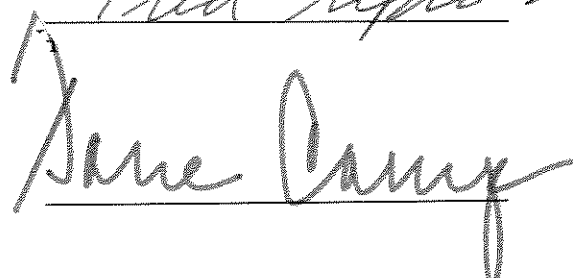


Jim Antunes



Fred Kupton

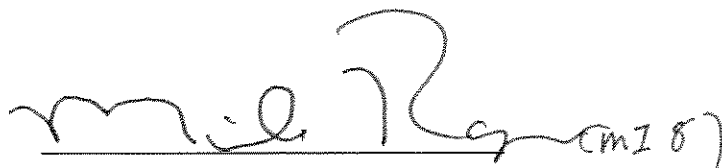




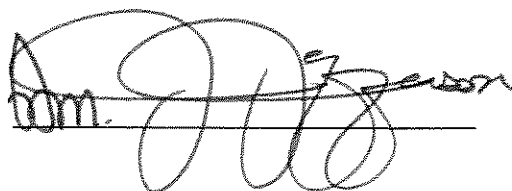
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Alan E. Uildea



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Edward J. Markey



Arthur Davis
